

Committee on Government Reform  
CONGRESSMAN TOM DAVIS, CHAIRMAN



## *Spotlight on Reform*

*A Monthly Communications Memorandum on  
Government Reform Committee Agenda and Accomplishments*

**March 2004**

The House Government Reform Committee had a very productive February and will use the month of March to continue pushing a reform-focused legislative and oversight agenda that will streamline the federal government; root out waste, fraud and abuse in government programs; and protect the rights and interests of the American taxpayer.

The Committee kicked off last month with a February 12<sup>th</sup> hearing on the current influenza season and what our response says about the nation's preparedness to handle major public health threats. While progress has been made since the 9/11 attacks, serious questions remain about our public health infrastructure's ability to deal with a pandemic, be it a naturally occurring pandemic or one that results from a bioterrorist attack.

On February 26<sup>th</sup>, the Committee held a hearing to gather information from industry and other stakeholders about whether the General Services Administration's (GSA) proposed acquisition strategy for its government-wide voice and data telecommunications program, Networx, will be effective in today's ever-evolving telecommunications environment. This hearing was part of the Committee's continued review of GSA's efforts to realign its organizational structure. The Committee will continue to consider possible legislative solutions that would lead to better management and oversight of contracting activities.

The Committee's Special Panel on Postal Reform held two additional hearings on the recommendations put forth by the President's Commission on the Postal Service. These recommendations call for a restructuring of United States Postal Service (USPS) operations to make it more efficient and help avoid frequent rate increases. On February 5<sup>th</sup>, the Panel held a field hearing in Chicago, Illinois, to hear testimony from postal labor and management groups on their perspectives regarding postal reform. A February 9<sup>th</sup> hearing examined the views of Chief Executives of USPS clients and competitors. Witnesses from both hearings testified on the urgent need for comprehensive postal reform.

The U.S. Department of Agriculture (USDA) has repeatedly asserted that the cow in Washington State found to have Bovine Spongiform Encephalopathy (BSE), commonly known as mad cow disease, was tested because it was a “downer” cow. The Committee learned that the co-manager of the slaughter plant and two other eyewitnesses stated that the cow stood and walked on the day of slaughter. If this information is true, it could have serious implications for both the adequacy of the national BSE surveillance system and the credibility of the USDA. It is critically important the contradictions between USDA’s statement and the information from eyewitness be thoroughly investigated by Congress. In a joint letter to USDA Secretary Ann Veneman, Chairman Davis and Ranking Minority Member Waxman asked the USDA for more information in order to investigate this matter further.

On February 26<sup>th</sup>, the Committee marked up and reported to the House the 2004 District of Columbia Omnibus Authorization Act, introduced by Chairman Davis and Del. Eleanor Holmes Norton. The bill will provide a new annual vehicle for enacting laws that change the Home Rule Charter or involve federal laws without attaching them as riders to the D.C. appropriation. The annual D.C. authorizing bill would be separate from the appropriations bill. Up to this point, the District has had no choice but to go through the appropriations process for assistance on authorization related matters.

On March 4<sup>th</sup>, the Committee conducted an oversight hearing entitled, “America’s New Welcome Mat: A Look at the Goals and Challenges of the US-VISIT Program.” This hearing continued the Committee’s ongoing review of the newly implemented entry-exit tracking program and the changes made to policies for issuing visas as a result of the terrorist attacks of September 11, 2001. Through this hearing, the Committee learned about the plans for US-VISIT, the current status of the implementation of those plans, the foreseen challenges, and the efforts made to meet those challenges.

On Friday, March 5<sup>th</sup>, the Committee held an oversight hearing to review the condition of lead contamination in the D.C. water supply and to examine federal agencies’ responsibilities for drinking water safety in the D.C. This hearing provided a forum for the Committee to assess the actions of and coordination among the Environmental Protection Agency (EPA), the Washington Aqueduct of the U.S. Army Corps of Engineers, and the D.C. Water and Sewer Authority (WASA), and to review the effectiveness of applicable plans and regulations in ensuring the safety of drinking water in the D.C. region.

The Committee will conduct an oversight hearing on the US efforts to rebuild Iraq on March 11<sup>th</sup>. This is the second hearing on our rebuilding efforts; this time we are concentrating on how efforts are coordinated between the Department of Defense (DOD), the State Department, and the Coalition Provisional Authority. The Committee hopes to get beyond partisan sniping aimed at undermining the reconstruction process and instead focus on the important question of whether contract coordination is functioning appropriately.

On March 18<sup>th</sup>, the Committee will hold a legislative hearing on the recently introduced Davis-Waxman Internet Pharmacy Consumer Protection Act. The Committee continues to examine the adequacy of consumer safeguards on Internet pharmacy sites and the effectiveness of traditional regulations of prescription drugs over the Internet. Chairman Davis and Minority Ranking Member Waxman believe the Internet Pharmacy Consumer Protection Act is necessary to help eliminate Internet pharmacies that are operating illegally. The legislation amends the Food, Drug, and Cosmetics Act with respect to the sale of prescription drugs over the Internet and accomplishes three things: 1) establishes requirements regarding the display of identifying information on Internet pharmacy sites; 2) prohibits Internet sales of prescription drugs without an appropriate medical relationship and; 3) provides additional authorities for states to take action against illegal Internet pharmacy sites.

On March 23<sup>rd</sup>, the Committee will hold a joint hearing on postal reform with the Senate Committee on Government Affairs. This will cap off the series of hearings held by the Senate Government Affairs Committee and by the House Government Reform Committee's Special Panel on Postal Reform and Oversight. Both Committees have heard the urgent need for postal reform by stakeholders and will determine the best course of legislative action to reform USPS to meet the challenges of the 21<sup>st</sup> century.

Later this month, Chairman Davis intends to propose new acquisition legislation, the Service Acquisition Reform Act II (SARA), that would include some of the provisions in the first SARA that were not incorporated into the 2003 DOD Authorization Act.

### ***Subcommittee on Energy Policy, Natural Resources & Regulatory Affairs***

On February 12th, based on three Subcommittee hearings in 2001-2003, Chairman Doug Ose submitted an analysis requesting the EPA to grant CA Governor Arnold Schwarzenegger's request for a waiver from the statutory requirements for Federal reformulated gasoline.

On February 25th, the Ose Subcommittee held its annual hearing on OMB's required regulatory accounting statement and associated report on impacts. The report was statutorily due with submission of the President's Budget on February 2<sup>nd</sup>, but it was not available to Congress until February 13th and to the public until February 20th. The Subcommittee examined how to improve government-wide, agency-by-agency, and program-by-program regulatory accounting and the associated report on impacts, especially impacts on small business.

Moving forward in March, the Subcommittee will hold a joint hearing with the National Security Subcommittee on the Ose-required report, due November 25, 2003, in the Homeland Security Act of 2002. On February 4, 2004, DHS submitted its report on consolidation and co-location of its regional and field offices to allow for cross-training of both Federal employees and first responders and one-stop shopping for first responders.

### ***Subcommittee on Civil Service & Agency Organization***

Chairwoman Jo Ann Davis completed a busy month of February, holding hearings examining the government's recruitment and retention efforts, the quality of dental and vision benefits available to federal employees, and the new personnel system at DHS. Chairwoman Davis is also pleased to report that legislation granting GAO greater management flexibilities -- a bill introduced by Chairwoman Davis and reported out last year by both the Subcommittee and the full Government Reform Committee -- was approved by the House this month.

The Subcommittee's hearing on recruitment and retention focused on two bills introduced by Chairwoman Davis: H.R. 1601, the Workforce Flexibility Act; and H.R. 3737, the Administrative Law Judges Pay Reform Act. The Workforce Flexibility Act gives federal agencies more power to hand out bonuses for recruitment, retention and relocation; increases annual leave for new hires with significant non-government experience; and emphasizes training, among other provisions. The Administrative Law Judges bill relieves pay compression among ALJs that is impacting the government's ability to hire them.

The Subcommittee's hearing on dental and vision benefits also centered on a bill from Chairwoman Davis: H.R. 3751, which requires the Office of Personnel Management (OPM) to report to Congress on options for making available improved dental and vision benefits to federal workers, retirees and qualified relatives. Existing dental and vision benefits offered through the Federal Employees Health Benefits Program lag badly behind the private sector.

The third and final hearing of the month, a joint hearing with a subcommittee of the Senate Governmental Affairs Committee, was devoted to the new human resources system at DHS. Top officials at OPM and DHS, following nearly a year of discussions with union leaders, employees and personnel experts, have proposed a personnel system that replaces the General Schedule with wide "pay bands," streamlines the employee appeals process, and limits workers right to collectively bargain in some cases. Chairwoman Davis pledged that the Subcommittee will continue to monitor this process.

### ***Subcommittee on National Security, Emerging Threats & International Relations***

The DHS Assistant Secretary for Infrastructure Protection testified at the Subcommittee's February field hearing in Moon Township, Pennsylvania on efforts to enhance chemical plant security. Rep. Tim Murhpy noted substantial progress and called for greater cooperation between the industry and local governments to assure neighboring communities that plants using toxic and flammable compounds are less vulnerable to attack by terrorists.

In early March, the Subcommittee plans to hold a hearing on a GAO study calling for export control improvements to limit proliferation of cruise missile and unmanned

aerial vehicle technologies. Two hearings will focus on homeland security issues. The first will discuss the operation and impact of the color-coded alert system used by DHS. The second, a joint hearing with the Regulatory Affairs Subcommittee, will examine DHS implementation of the Homeland Security Act provision calling for a consolidation of field offices from among the many regional configurations inherited from the Department's constituent parts (i.e. FEMA, Customs, INS, APHIS). On the fifth Tuesday of the month, the Subcommittee will open a series of hearings on Guard and Reserve issues with a review of DOD force health protection initiatives.

### ***Subcommittee on Government Efficiency & Financial Management***

Chairman Todd R. Platts introduced the Program Assessment and Results Act, or PAR Act (H.R. 3826), which builds on reforms established in the Government Performance and Results Act (GPRA) by requiring OMB, working with agencies, to assess the performance of all Federal programs at least once every five years. In formulating the legislation, the Subcommittee relied on testimony presented in two February oversight hearings focusing on the President's Management Agenda, the implementation of GPRA, and OMB's use of the Program Assessment Rating Tool. Witnesses included Clay Johnson, OMB's Deputy Director for Management, Jonathan Breul and Maurice McTigue, two noted performance budgeting experts, and GAO analyst Paul Posner.

In March, the Subcommittee will review the findings of GAO's audit of the FY2003 consolidated financial statements of the U.S. Government in a hearing with U.S. Comptroller General David Walker, OMB Controller Linda Springer, and Treasury Assistant Fiscal Secretary Don Hammond. Despite the fact that progress has been made, including the issuance of statements on an accelerated schedule, GAO was unable to provide assurance for the seventh year in a row as to the reliability of the federal government's financial books, resulting in a disclaimer of opinion. Although the majority of major agencies earned clean audit opinions, DOD, DHS, NASA, and the Small Business Administration were unable to pass their audits. As part of its oversight of Federal financial management, the Subcommittee will look at these agencies, beginning with DHS on March 10, 2004, and other government-wide accounting issues.

### ***Subcommittee on Technology, Information Policy, Intergovernmental Relations & the Census***

The Subcommittee has been working diligently during February to prepare for an aggressive schedule of oversight hearings during March. The Subcommittee will conduct five oversight hearings during the month, including a field hearing that will examine the environmental and economic impacts of phosphogypsum deposits. A comprehensive review of federal information technology investment management oversight, strategic planning and performance results will kick off the hearing schedule, followed by an in-depth examination of the Federal Information Management Security Act (FISMA) scorecards results for 2003. The Subcommittee will take a look at the results to date and lessons learned regarding the initial 24 e-government projects, as well as plans for the

next iteration of e-government in the form of enterprise wide "lines of business" initiatives. Finally, the Subcommittee will conduct a follow up hearing on the information security challenges associated with SCADA systems, automated control systems that operate the majority of this country's critical infrastructure, including telecommunications.

In addition to the preparation for hearings, and continuing to meet with agency CIO's regarding their plans for addressing deficiencies in their IT security progress, the Subcommittee has worked closely with the Corporate Information Security Working Group to finalize recommendations and action steps to be presented to Chairman Putnam on March 3rd. This included an all day working session conducted in the middle of February. Subcommittee staff also visited a large mail processing center operated by the Census Bureau in Indianapolis to review security provisions and operational capabilities in preparation for the decennial census. Lastly, the Subcommittee attended and participated in a number of conferences directly related to the agenda and work program set forth by Chairman Putnam.

### ***Subcommittee on Human Rights and Wellness***

The Subcommittee held an oversight hearing to examine the current status of health care services and facilities throughout the U.S. Pacific Island Territories – Guam, American Samoa, and the Commonwealth of Northern Mariana Islands (CNMI). Additionally, the Subcommittee discussed possible solutions that the Federal government may offer in order to alleviate some of the health burdens facing these citizens.

One of the primary health concerns encountered by these territories is the skyrocketing rate of diabetes. In recent years, the incidences of Type-2 Diabetes, formerly known as Adult-Onset Diabetes, has reached epidemic proportions on the Pacific Islands. Hundreds of these patients require constant medical attention to survive, mainly in the form of regular dialysis treatments. Unfortunately, the territories are ill equipped to effectively deal with the ever-increasing demand for dialysis machines and the trained technicians needed to operate them. This has resulted in long waiting lists and late night appointments for people in need of immediate life-saving medical care. In fact, Guam, the largest of the territories, has only one civilian hospital that provides service to the nearly 170,000 citizens of the region, as well as thousands of patients from neighboring islands. The Subcommittee has tentatively scheduled a hearing, the fifth in a series, to continue its investigation of the FDA's campaign to shut off the flow of affordable prescription drugs from Canada for the end of March.

### ***Subcommittee on Criminal Justice, Drug Policy and Human Resources***

On February 6, 2004, the Subcommittee held a field hearing in Elkhart, Indiana on the problem of fighting methamphetamine abuse in America's heartland. The Members heard testimony from federal, state and local law enforcement officials, treatment providers and drug use prevention experts on the challenges presented by the

rapid growth of methamphetamine production, trafficking and abuse. The Subcommittee will continue to hold hearings on this issue, and explore new legislative solutions.

On February 9, 2004, the Subcommittee held a field hearing in Winter Park, Florida on the issue of prescription drug abuse. Representatives of federal and state agencies, the medical community, the pharmaceutical industry, addiction treatment centers, and victims' families testified about the problem of prescription drug abuse and different proposals for addressing it. The Subcommittee intends to continue its study of this problem, and to promote effective solutions.

The Subcommittee held a hearing on February 26th entitled "Afghanistan: Law Enforcement Interdiction Efforts in Transshipment Countries to Stem the Flow of Heroin." The purpose of the hearing was to examine the efforts of the Drug Enforcement Administration and the Department of State, International Narcotics and Law Enforcement Affairs Bureau in impeding and interdicting the various forms of heroin as it leaves Afghanistan. Several smuggling routes were identified as the most commonly used. Each witness discussed their strategies, funding, and resources that they planned to address this rapidly increasing problem. The interagency and international relationships between the key stakeholders were explored and encouraged.

The Subcommittee held a hearing on March 2nd entitled "Andean Counterdrug Initiative," to examine the adequacy of the President's Fiscal Year 2005 Budget Request of \$731 million. The Director of the Office of National Drug Control Policy, the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict, and the Assistant Secretary of State for International Narcotics and Law Enforcement Affairs Bureau testified about counternarcotics efforts in the nations of the Andean Region, South America. The witnesses provided information on the effectiveness of the various components of the ACI.

The Subcommittee will hold a hearing March 11 to examine the latest medical science regarding cervical cancer and ongoing federal efforts to treat the disease and prevent infection with the virus that causes it. Approximately 4,000 women in the United States die from cervical cancer every year, which is by way of comparison about the same number of women who die from HIV/AIDS. Witnesses from the Centers for Disease Control and Prevention, the Food and Drug Administration and the National Cancer Institute as well as physicians and researchers are expected to testify.

President Bush, in addition to the creation of the White House Office of Faith-Based and Community Initiatives, has created by Executive Order a total of seven Department Centers for Faith-based and Community Initiatives (HHS, HUD, Labor, ED, DOJ, USDA, and USAID). The purpose of the executive department centers is to "coordinate department efforts to eliminate regulatory, contracting, and other programmatic obstacles to the participation of faith-based and other community organizations in the provision of community services." The March 23rd hearing will provide the Subcommittee with an opportunity to hear from the Directors of the Centers for Faith-Based and Community Initiatives in order to discuss the progress of the various

departments in removing the obstacles to the participation of faith-based organizations in the provision of community services.